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ROBERT COHEN
112 WEST NINTH STREET
JUNEAU, ALASKA 99801
(907)-463-3259
hattcohen@gci.net

Office of the Seceretary
Federal Trade Commission
600 Pennsylvania Ave. N.W.
Washington, DC 20580

June 6th, 2000

I am the owner of an independent music shop in Juneau, Alaska.

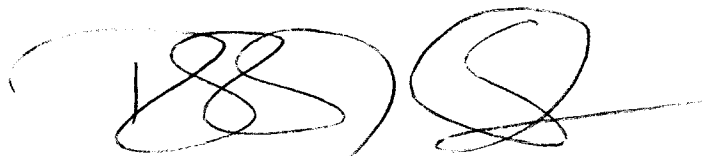
I am writing this letter because of my concern with your proposed elimination of Minimum Advertised Pricing policies in the music industry. Let me begin by saying that I applaud your efforts to investigate and remedy the price of CDs in this country. However, it seems to me that your proposal in its current form is addressing the symptom and not the disease. If retail CD prices are high, isn't that because wholesale prices are equally inflated? Eliminating MAP pricing will not lower the wholesale cost of CDs by one penny! This being the case, all that this ruling will do is give large chain and box stores who do not specialize in music permission to sell CDs at little to no markup or even below cost. I am sure that these stores, as well as internet marketers, cannot wait to start underbidding each other in pursuit of customer share and additional loss-led sales. These stores offer no service, no atmosphere, limited selection, no special ordering and none of the networking between employees, fans and musicians that is provided in volume by local music shops. Local stores like mine need to sell a reasonable amount of top forty albums at a profit in order to help pay the rent and to keep pace in the millennial economy. Don't we have the right to do business and make a modest profit in an industry in which we are expertly knowledgable and tirelessly devoted? MAP pricing structures help us to do that, and I feel that this kind of price structuring in the long run helps the industry, stores and consumers. I am grateful to be the owner of an independent music store here in Juneau; I feel that our service, responsiveness and devotion to the community is impeccable. Every week hundreds of people get real help and satisfaction here, service that no chain store or computer could come close to providing. We routinely select and ship out music for weddings, funerals and all occasions at a moment's notice--we provide a human bridge between all manner of customers and the vast amount of music out there on the sonic landscape. Our prices are higher than the local chain stores--customers are willing to pay more for the service, selection and myriad benefits that a local store provides. Our prices are on the high end of the spectrum bounded by

Suggested Retail Pricing (at the high end) and MAP (at the low end). At least there is a pricing spectrum in place where price is relatable to the amount of service a store provides. Your proposal as is would eliminate that spectrum entirely and endanger the viability of smaller chains and local stores. Do you really want to create a mercantile environment where selling for no profit is the prescribed way to do business? Additionally, will your proposal greatly affect the pricing of non top 100 albums? Most albums in print that I've seen are not sold at the lowest MAP by either chain stores or internet retailers. Even they seem to need to make some money somewhere; they mark down the majority of in print CDs by maybe a dollar or two. Your ruling will do nothing to change pricing policies on non hit CDs; for all we know these prices may rise in the future, as may the retail pricing of future new releases. As a concerned citizen, store owner and music lover, I encourage you to do the right thing. Address the pricing of CDS at the wholesale level. Don't eliminate a program that keeps the playing field reasonably level in the music industry. Keep the lowballing predators away from the music industry. Let local stores have a fighting chance to serve their communities wonderfully. Thank you for your time.

Sincerely

Robert Cohen

Juneau, Alaska

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a 'C' and a long horizontal stroke extending to the right.